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FOR THE BENEFIT OF ALL - REPORT ON  
ABORIGINAL BUSINESS MANAGEMENT  
DEVELOPMENT

Sector: Human Resources

12-s-S

Training/Development Programs

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**ABORIGINAL INDUSTRIES COMMITTEE**  
**COMITÉ DES INDUSTRIES AUTOCHTONES**

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Mr. MelBuffalo

Chief Harry Cook

Chief Billy Diamond

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Mr. Daniel E. Kohoko

Mr. Rod McKenzie

Mr. Mel Napoose

Ms. Anne Noonan

Ms. Viola Robinson, LLD

Ms. Ida Sanderson

Mr. Arf Voth

Ms. Lee Williams

**FOR THE BENEFIT OF ALL**

REPORT ON

ABORIGINAL BUSINESS MANAGEMENT DEVELOPMENT

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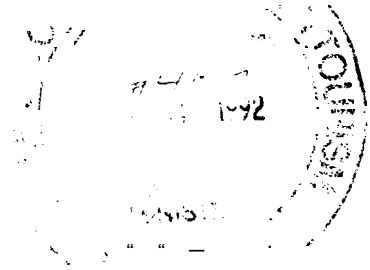
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November 1991

**ABORIGINAL INDUSTRIES COMMITTEE  
COMITÉ DES INDUSTRIES AUTOCHTONES**

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December 10, 1991



Ms. Nellie Courneyea  
President  
Government of the  
Northwest Territories  
Yellowknife, N.W.T.  
X1A 2L9

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②  
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Dear Ms. Courneyea:

I have had the pleasure over the last year of working with the Aboriginal Industries Committee, a group established by Aboriginal industry with the support of the Department of Employment and Immigration to deal with an overall review of Aboriginal business management development in Canada.

This has been a sorely **neglected** area and is an essential one which we must concentrate upon in order to ensure that we can train our People to be competent and to take over the management of our businesses as well as to take advantage of **commercial** opportunities.

This Committee is unique in that we had, around the table, a number of Native businessmen who had seen similar difficulties across the country and who were able to compare their experiences and identify a number of problems.

I am proud of the Report and I strongly support the recommendations which deal not only with the way in which business education must be made available to us, but also provides for the establishment of an Aboriginal Business Management Institute.

*(Handwritten signature and notes)*  
Nellie Courneyea  
President

*(Handwritten signature and notes)*  
William Grodinsky

- Chief Victor Buffalo
- Mr. Mel Buffalo
- Chief Harry Cook
- Chief Billy Diamond
- Mr. Phillip Dorion
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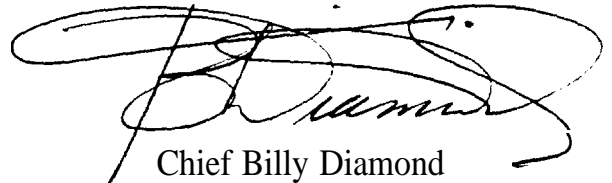
I am proud of the Report and I strongly support the recommendations which deal not only with the way in which business education must be made available to us, but also provides for the establishment of an Aboriginal Business Management Institute.

Unless we have this type of institution controlled by our People to reply to our needs, the commercial world will still be a hostile and difficult one for us.

I strongly urge you to read this Report, to support its implementation and I would be most happy to meet with you to explain its contents and to talk more about the further work that can be carried out by the Institute in cooperation with Aboriginal people throughout Canada.

From politics, to education, to business, we must strive to ensure that our People are able to meet all the challenges of the future and I think the recommendations we have put forward will help us in doing so.

Yours very truly,

A handwritten signature in black ink, appearing to read "Billy Diamond", with a large, sweeping flourish above it.

Chief Billy Diamond

BD: rc  
Encl.

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## EXECUTIVE SUMMARY

The Aboriginal Industries Committee is a group of primarily Aboriginal business people holding board positions or employed in executive management positions in a diversity of Aboriginal enterprises or development corporations from across Canada. We share a common concern that the human, physical and financial resources available to our People be used wisely to ensure continuing benefits for present and future generations.

We came together as a Committee in October 1990 with a prominent mainstream private sector business executive to chair our meetings and invited some experienced non-Aboriginal individuals to participate.

Our primary focus of attention became the strengthening of Aboriginal business management skills and of the capacity of our People to manage the process of community economic development.

It is clear that a long struggle faces us in the pursuit of self-sufficiency and economic independence. Community groups need vision, skilled leadership, agreement on development plans and many years of persistence to make this a reality. Trust and tolerance must be developed between the political and cultural leaderships and those committed to economic development.

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In the past, we saw time and time again how larger Canadian society has clearly failed our People and often served only to generate a wide-spread welfare culture.

Aboriginal industry is moving to meet these issues.

What is of greatest concern is the effect this has had on our most precious resource – our People. Welfare has often replaced the dignity that came from traditional occupations and jobs.

We have lost much of our economic base of land and natural resources and are now faced with an extremely complex business environment complicated by government legislation.

The **difficulties** of that environment are compounded by the problems of racism, remoteness, the lack of basic infrastructure to accommodate business and generate jobs and the serious lack of access to education and training.

Our communities must also deal with their fundamental skepticism about non-Aboriginal material values and the impact that these values have on traditional lifestyles.

**We, the Aboriginal People, must now deal with the consequences.**

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The situation appears more positive now than it has in many years. More young people than ever appear to be in post-secondary education. It is also clear that most governments have voiced their support for restoring an economic base to our communities. It is timely that we should be preparing to manage effectively the transition from dependency back to the economic independence we once enjoyed.

Canadian industry is beginning to recognize the importance of both doing business with Aboriginal people and the size of our growing labour force in many areas. Some corporations and industry organizations understand the **benefits** to themselves and to the Canadian economy of participating in the development of Aboriginal managers and skilled workers.

Aboriginal business leaders are committed to developing competitive industries by promoting the upgrading of the skills of the Aboriginal workforce, in working with companies with advanced expertise, by moving aggressively into foreign markets by association with progressive Canadian and international firms, and by supporting the careful management of natural resources and the need this generates for high **productivity** and high value-added manufacturing.

Nevertheless, we face a continuing shortage of skilled Aboriginal business managers and professionals that are available to our enterprises and development corporations, as well as for local government and other community functions.

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Our concern is to facilitate the development of the senior labour market skills we require to manage the process of Aboriginal community economic development, business growth and human resource development. In this way, economic prosperity is more likely to be consistent with Aboriginal values and to meet our needs, including the generation of jobs in the future.

We face many complex issues in responding to this concern, including:

the great disparity in the economic circumstances of Aboriginal people across Canada;

the unique demands on Aboriginal managers in the areas of business and economic development;

the problems of small, scattered populations in gaining access to quality, culturally-relevant business and management education and training;

the need to balance business and economic education with the vital commitment relevant to education in culture and language;

the lack of opportunity for effective Aboriginal input into policy and into the design and development of courses;

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the importance within our own communities of separating political from commercial issues; and

ensuring that there is effective and stable Aboriginal governmental infrastructure to support commercial initiatives and establish business confidence.

**Limited resources are available for Aboriginal business education and training and they have not been managed effectively in the past. In particular, public resources have been allocated in the absence of a strategic framework for the needs of Aboriginal business, and there has been little attention to the independent assessment of the quality of programs.**

We have consulted widely with our Aboriginal business colleagues, including some **sectoral** organizations, and with interested individuals in mainstream private enterprise. We have carried out a broad review of the existing facilities available in Canada. We have also met with government officials from a range of ministries and with representatives of educational institutions and associations. Our conclusions reflect, we believe, a broad-based consensus within Aboriginal industry and the Aboriginal community and among other concerned individuals.

The Committee believes that a professional association of Aboriginal business and economic development managers, and other interested parties, with a small full-time secretariat, is necessary to vigorously pursue, provide direction on and take charge of these issues.

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This body would strive to advance the practice and effectiveness of the management of enterprises, economic development and human resource development by Aboriginal people.

Pursuing this broad objective would, on behalf of Aboriginal industry:

- provide a forum for Aboriginal industry to deal with the issues above;

- provide an information network and services under Aboriginal direction;

- identify broad management and business training needs;

- evaluate and endorse business education and training programs and promote good practices;

- forge strong partnerships with academic institutions;

- advise academic institutions on curriculum development, training delivery and on the design of other initiatives for Aboriginal students;

- recognize the achievements of Aboriginal business students, managers and industries;

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promote research on Aboriginal business management and help to establish skill standards;

provide advisory services to mainstream industry on how to establish closer business links with Aboriginal corporations and communities;

provide a forum for information and discussion within the Aboriginal community on economic development, and on policy development;

develop business links to the national and international business communities (both Aboriginal and non-Aboriginal); and

- provide policy advice to governments.

An Aboriginal-controlled institution along these lines would enable business leaders to share their experience and knowledge with those who are struggling to establish an economic base. Most importantly, it would provide a vehicle for Aboriginal input into the rationalization of the limited resources available for management and business education and training.

Accordingly, we propose the following three principal **RECOMMENDATIONS:**

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**Recommendation 1:** That Aboriginal industry and the Aboriginal community support the establishment of a National Aboriginal Institute of Management through active participation, membership and financial contributions;

**Recommendation 2:** That the Federal Government recognize the role and functions of the Institute, including the provision of policy advice, and underwrite the establishment of the Institute with a seed-funding allocation of an average of up to \$400,000/year for three years while revenues are generated; and

**Recommendation 3:** That the future Board of the Institute, as a matter of some priority, deal with the following concerns:

- (i) the design of procedures and criteria for evaluation and endorsement of specialist management and business courses and programs and the establishment of skills standards;
- (ii) the need to improve the quality of the training programs presently available to Aboriginal small business;
- (iii) the need for support services in training needs assessment and human resource planning;

- (iv) **the retention of Aboriginal graduates in Aboriginal enterprise;**
- (v) **the training and development needs of Aboriginal directors and chief executive officers of enterprises and development corporations; and**
- (vi) **the role of First Nations' governments, other governments and Aboriginal educational institutions in furthering the entrepreneurship and economic education of our youth.**

**The** Committee, with the assurance of financial support from the enterprises and corporations represented by its members, has resolved to establish itself as the Interim Board of the Institute for the purposes of drawing up a constitution, concluding the legal formalities and pursuing negotiations for the financing of the three year development phase of the Institute.

The Interim Board will broaden its membership and will be guided by its discussions over the next six months with Aboriginal industry and community organizations, educational institutions and other potential private and public sector partners.

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The Committee has proposed a set of ten principles contained in this Report which should guide these discussions.

We should begin promptly, but allow the Institute to grow gradually over several years as it builds these national partnerships.

**The partnership we envisage is a mutually beneficial one -  
FOR THE BENEFIT OF ALL.**

## CHAPTER 1

### INTRODUCTION

Industry and government are beginning to recognize that a more effective approach is required for human resource and business development within the Aboriginal community.

The unique cultural and socio-economic position of the Aboriginal People of Canada has involved difficulties, even for well-intentioned governments, in attempting to identify the issues. Those best placed to identify real needs and develop appropriate responses -- Aboriginal people themselves -- need to be effectively involved in the process.

**Governments have established a range of consultative mechanisms over the years to meet their requirements. These gestures, however, have required the Aboriginal communities to rearrange and accommodate their needs to the processes of these governments, not vice versa.**

It is only very recently that emerging Aboriginal industries have begun to evolve their own industry associations to identify needs and provide services to their members, including links to government and to mainstream industry.

These associations aim to work to contribute to the overall health and prosperity of Aboriginal communities and of the Canadian economy.

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The Aboriginal Industries Committee is one such body.

The emergence of these bodies has been spurred on over the last twenty years by land claim and natural resource agreements and by major resource development projects, all of which have created special needs for the development of Aboriginal institutions to lead the process of Aboriginal economic development and business growth.

**Establishment and Terms of Reference**

The Aboriginal Industries Committee came together in 1990 and is a group of primarily Aboriginal business people holding board positions or employed in executive management positions in a diversity of Aboriginal enterprises or development corporations across Canada. We share a common concern that the human, physical and financial resources available to our People be used wisely to ensure continuing benefits for present and future generations.

We also recognize that Aboriginal industry has a significant contribution to make to the Canadian economy.

We constitute a national-level partnership essentially between the representatives of the Aboriginal owners of corporations and their senior management employees. We have chosen a prominent mainstream private sector executive to chair our meetings and provide us with advice on longer-term strategies to enable us to work closely with mainstream

industry. Some experienced non-Aboriginal individuals were also invited to participate.

The Committee recognizes at the outset that it does not represent all Aboriginal industry groups, especially those located North of the 60th parallel. We feel, however, that a broad cross section of needs and situations was reviewed and that the **Recommendations** of this Committee will be of interest to Aboriginal industry generally.

The broad framework agreed to for our deliberations included the following matters:

- (a) identifying the impact of Aboriginal business opportunities on the demand for Aboriginal labour;
  - (b) identifying the implications of the supply of skilled Aboriginal labour for our economic development and business growth;
  - (c) the development of human resource management strategies that address the skills imbalance at the executive, management and support staff levels in Aboriginal enterprises; and
  - (d) the development of implementation arrangements that define the responsibilities of the private and public sectors in these human resource management strategies, including funding scenarios.
-

An agreement was negotiated with the Federal Government on the joint-funding of a modest budget.

Significant contributions in time, availability and resources were made by Aboriginal industry, establishing early the basis for an industry-government partnership in reviewing the overall situation.

The Federal Government participated in our meetings through Employment and Immigration Canada (EIC).

### **Areas of Priority Attention**

Our primary focus of attention became the strengthening of Aboriginal business management skills and of the capacity of our People to manage the process of community economic development.

The attention of the political leadership of First Nations and other Aboriginal organizations is most often directed to fundamental constitutional and land claim issues. We, of course, support these efforts. We are also very concerned that cultural and social issues receive proper attention.

This Report, however, is written from an industry perspective and looks to the management of the economic and enterprise base of our communities through which the Aboriginal People will secure an independent future. Without the ability to deal in the commercial world

and to effectively use our resources, Self-Government and self-sufficiency cannot become a reality.

The priority areas of concern for the Committee were as follows:

- (a) management education and training;
- (b) entrepreneurship and small business training;
- (c) economic development education; and
- (d) human resource planning capacity of enterprises and development corporations.

The Committee has been meeting over the last year and has sought advice from business colleagues in Aboriginal industry and the mainstream private sector. We have met with Aboriginal advisors to governments on employment and enterprise matters and with government officials in a range of ministries. We have visited a certain number of educational institutions and met with staff and students. Discussions have also been held with national educational associations in the public and private sector.

OUR PERSPECTIVE THROUGHOUT WAS THAT OF INDUSTRY -- THOSE PEOPLE WHO ARE LOOKING AT THE FLOW OF TRAINED PEOPLE AVAILABLE TO IT TO CARRY OUT ITS GOALS AND OBJECTIVES. THE END USERS OF SERVICES

WERE LOOKING AT WHAT THE SYSTEM WAS PRODUCING AND INDICATING WHAT WAS NEEDED.

There clearly is more work which has to be carried out with respect to many of the issues that we addressed, including the question of evaluation of courses, a much more detailed review of services and courses available in Canada, the whole area of skills standards, and the employment results which have been obtained in the Aboriginal community from post-secondary education.

**This Report is a first step in that process and proposes a way of continuing that work through a partnership led by Aboriginal industry.**

The Committee sincerely hopes that this Report will be seriously considered by all Aboriginal groups and by other partners in industry, education and government.

The Committee expects a prompt and constructive response by Government to this Report and the response should involve policy and operational changes necessary to accommodate the **Recommendations.**

**WE MUST WORK TOGETHER FOR THE BENEFIT OF ALL.**



## CHAPTER 2

**THE ABORIGINAL ENTERPRISE MANAGEMENT ENVIRONMENT****Aboriginal Population and Labour Force**

The Committee has taken as its base of reference the needs of the total Aboriginal population of Canada, including the Indian, Metis and Inuit people.

With a population of over one million people, we represent about 4% of the Canadian population, although we constitute a much **higher** percentage of the population and **workforce** in rural and remote areas.

We have the highest population growth, relative unemployment rate (particularly for Aboriginal women), birth rate, the largest percentage of population below the age of twenty-five and the lowest educational levels of all Canadians. Many **unique** and inherent social and cultural factors must also be considered.

This age structure of our population is heavily weighted to those under twenty-five and there will be a major influx of youth into the communities for the foreseeable future.

The difficulty of placing these young people in productive employment is compounded in many cases by the loss of the traditional way of life, our land, wildlife and other resources.

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This is a challenge which must be met firstly by the Aboriginal communities themselves.

The Aboriginal people of Canada will also comprise a significant percentage of new entrants to the labour market in the short and medium term.

**By the mid-1990s in some parts of the Prairie provinces, one in four young people entering the job market will be Aboriginal. We constitute an important resource for Aboriginal and non-Aboriginal industry, particularly in rural and remote areas, which can be tapped and used for the benefit of all. In the global race to become competitive and efficient and to develop a skilled workforce, Aboriginal youth are therefore of strategic relevance to Canada as a whole.**

Aboriginal people have clearly not shared equally with other Canadians in skills formation. Although there has been a dramatic improvement in Aboriginal access to secondary and post-secondary education in recent years, participation rates are still well below the national average. Too few Aboriginal students in higher-level (degree and diploma) studies were being encouraged into commercial, professional and technical programs. Too many post-secondary students fail to complete their studies and even graduates have difficulty securing employment in Aboriginal and mainstream industries. This is particularly true in the case of women.

Canadian industry needs Aboriginal youth but, along with the public sector. has a **dismal** record on Aboriginal employment. Private sector employers under the federal Employment Equity Act could only increase their number of Aboriginal employees from 0.67910 of their workforce in 1987 to 0.79% in 1989, still only one-third of an equitable Aboriginal share.

In another context, although the Federal Government is making attempts to recruit more and more Aboriginal people, ~~twice as many Aboriginal people are leaving the Federal Public Service as are recruited.~~

### **Importance of Economic and Enterprise Development to Self-Management**

The majority of the Aboriginal population live in rural and remote areas where mainstream employment opportunities are very limited, although potential development is beckoning. If our people are to break free of government and band welfare, then individuals, organizations and communities must develop their economic base and generate Aboriginal enterprise to take advantage of our geographical situation, our Rights, our natural resources and our People.

There is a clear commitment by Aboriginal First Nations to the pursuit of Self-Government and Self-Determination. This independence involves the capacity for real Aboriginal control over our own destiny and over land and resources. The legal and political control over governmental institutions, however, must be accompanied by the capacity to generate independent income in the long-term, through enterprise growth. The

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alternative is to submit to financial controls through mainstream government.

With the commitment of many governments to settling land claim issues and involving Aboriginal people in the development and management of natural resources, there may well be increasing opportunities to generate financial resources that would not otherwise have been available.

Aboriginal industry wishes to take advantage of these opportunities in a socially and culturally relevant context.

### **Fundamental Principles**

It is also clear that there are a number of evolving principles which are becoming evident and must be looked at in the context of business development and training in the future.

The Committee has identified certain of these problems which are relevant in setting the stage for any review of Aboriginal business management issues.

This list may not be a complete one, but includes a number of important issues :

- a) It is a clear position of Aboriginal groups to insist upon the recognition of inherent Rights of Self-Government and Self-

Determination and the ability to control the destiny of their land, People and resources. The success in obtaining this goal is directly related to the issue of self-sufficiency, and economic development matters are related to the political dimension of control. "CONTROL" IS MEANINGLESS, HOWEVER, UNLESS TRAINED ABORIGINAL PEOPLE THEMSELVES CAN ASSUME ALL LEVELS OF MANAGEMENT AND BUSINESS ROLES.

- b) There is a cultural and social obligation put upon Aboriginal people to ensure that business management skills are in place for the wise use of physical and financial resources for the benefit of future generations.
  - c) There is increasing concern for the effective management of non-renewable resources and the clear realisation at the community level that these must be organized effectively. Many groups face the imminent exhaustion of their non-renewable oil and gas resources while many others face the task of restoring their forest, fishing and hunting lands after many years of neglect under the control of governments.
  - d) With the impetus to settle Aboriginal land claim issues and treaty matters throughout the country, there are increased opportunities available to Aboriginal groups to use financial and other resources which otherwise would not have been available to them.
-

- e) Government has adopted a policy of reducing expenditures in all fronts and this must be taken into account by Aboriginal people in the future.
  
- f) There are also many more bands, communities and groups who find themselves with no apparent economic base and face an even greater struggle, particularly those in remote areas.

### **Enterprise and Community Economic Development**

The emergence of any substantial Aboriginal high profile presence in the business world is relatively new.

There are now many successful Aboriginal-owned businesses in Canada, ranging from small family companies to large community-owned corporations. The last fifteen years has seen the growth of this area at a rapid rate.

Members of the Committee alone are involved in businesses ranging from agriculture and natural resources, to manufacturing, to real estate, to transportation, retail and finance. Many Aboriginal corporations now have assets of several hundred million dollars and are still expanding. Successful joint ventures have been launched with a range of major national and international corporations.

We have been involved in both successes and failures and have learned from our mistakes.

Nevertheless, there are major obstacles to economic development and enterprise growth.

One essential problem, in many cases, is the lack of a contemporary entrepreneurial experience within certain communities.

We are proud of our past traditions of self-sufficiency and entrepreneurial activity before the arrival of the Europeans. The modern world cannot, however, accommodate easily our culture and values.

The modern business world is not only related to the availability of resources, but to cultural and societal values as well.

There are also concerns with respect to institutional obstacles which must be addressed. For example, while the Canadian banking system holds large amounts of Aboriginal funds, the limitations provided for under government legislation and the real or perceived institutional bias not to deal with Aboriginal businesses make it difficult to borrow and carry on normal commercial transactions. One can look to Government for loans and support, but this usually involves the normal frustrations of Government programs.

The lack of basic infrastructure to support Aboriginal businesses, which are taken for granted elsewhere, are a major problem.

Appropriate facilities and services such as commercial buildings, communications, housing, insurance, training, transportation, education,

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office space and support staff usually often does not exist within Aboriginal communities.

Seed funding or venture capital funding is virtually non-existent, except in some cases for those groups who have had the experience of being involved in land claim agreements and who can provide this kind of funding. Even in these cases, the pressure to use funds to meet basic community needs often leaves little for business or entrepreneurial ventures.

Communities also have difficulties in separating political and commercial issues. In our experience, Aboriginal industry thrives where community governments choose to put development corporations and community-owned enterprises at arms-length from the political process for operational purposes.

Most importantly, many communities in the past have not had the effective and stable Aboriginal governmental infrastructure required to generate business **confidence**.

Aboriginal people also continue to be significantly under-represented among the self-employed and in management and the professions.

There are no easy solutions and many dilemmas in the pursuit of economic independence. Communities need leadership, vision, agreement on a development plan and many years of persistent struggle to make progress.

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Communities and groups need to identify an economic base related to their resources and values. Hard decisions must be made about the extent to which current income will be foregone to invest in the establishment of business ventures.

These planning and decision-making processes are impossible without the ability to know and be able to use the necessary strategic economic planning and investment processes. Aboriginal development corporations play a leading role, but too often the strategic planning skills do not exist in the Aboriginal community and projects fail for lack of community support.

There is an uneasy association between economic development and traditional culture and between business leadership and community government. Leaders who are involved in business and economic development face the difficult task of living in two cultures.

Indeed, business survival most often involves a capacity to interface with the wider national and international market economy while ensuring that the pace of economic development is consistent with the cultural and life-style choices of the community.

This is a challenge which is unique and must be carefully addressed.



### Management of Enterprises and of Economic Development

There is no denying the success of many self-taught Aboriginal business people and corporate executives. The present generation of senior managers has not generally had the benefit of much post-secondary business education and many are also heavily involved in community government. The pressures on them in these positions are great.

The Committee attributes the scarcity of Aboriginal managers, particularly in development corporations and medium to large Aboriginal enterprises, to a lack of education and experience, community attitudes towards educated members and a **tendency** in the past to encourage study in areas more relevant to education, social sciences, culture and government.

The result of the shortage has been a heavy reliance on non-Aboriginal consultants and managers with the danger that they are out of touch with community values and community expectations of the enterprise and have neither the volition nor interest in training Aboriginal successors.

Time and time again, the Committee has seen the situation where middle or senior level non-Aboriginal management has either deliberately ensured that it is not replaced by Aboriginal people or have remained in place by default.

This situation, however, is not remedied by replacing these people by Aboriginal people who are not trained or skilled to carry on the jobs.

Aboriginal people must be put in a position to apply for and take these positions – they cannot do so if they do not have the proper training and credentials.

The Committee is convinced that the acquisition of skills in the management of economic development and development is essential if Aboriginal people are to take charge of the development of our communities and achieve employment growth and economic independence.

**Aboriginal industry must have an input into the training cycle -- it must, to put it plainly, step into the classroom and make education its business !**

### CHAPTER 3

#### OVERVIEW OF AVAILABLE BUSINESS EDUCATION AND TRAINING RESOURCES

The Committee and others have had a difficult time in identifying the level of resource allocations available to support Aboriginal management education and training. The variety of government Departments and agencies involved, directly and indirectly, further complicates the issue. Significant resources are, however, directly available through Employment and Immigration Canada (EIC) and the Indian Affairs and Northern Development (IAND).

The Committee estimates that at least \$6 M of EIC funds find their way to **business-related** Aboriginal management training and that up to \$12 M in INAC funds could be supporting post-secondary status Indian students in business management and commerce programs. It seems, however, that the vast majority of federal funds going to management training are supporting the management and administration of Bands and other community organizations. The concentration appears to be on lower level administrative functions, even in the area related to post-secondary student allowances.

In addition, over thirty universities, technical colleges and community colleges, including some Aboriginal-controlled colleges, have allocated their own resources to special Aboriginal management and administration training for the **public** and private sector. **Some of the major programs**

have apparently had heavy injections of funds from the federal government at some time.

### **Special Degree, Diploma and Certificate Courses**

The Committee undertook a broad overview of relevant courses available. It has, so far, been beyond the capacity of the Committee to undertake detailed assessments of the quality of individual programs.

Some ten institutions offer special degrees or diplomas in management and administration related to Aboriginal business and community economic development. Ten, including four of the above, offer a diversity of certificate level programs. In many cases, management courses appear to be targeted equally at public and private sector clients.

However, the Committee found that students, communities and industry often had reasons quite unconnected to course content for preferring particular institutions, including location, tribal affiliation, religion, the reputation of certain institutions and pressure from Government officials administering education allowances. The Committee also found an alarming lack of knowledge of what was available in other regions.

Some interest has been shown by the Aboriginal-controlled community colleges to form a closer association and there are isolated examples of colleges offering transfers and credits. Generally, however, there is a lack of co-ordination between institutions beyond what might be

expected as a result of healthy competition. There is no evidence of co-ordination between governments in the allocation of scarce funding for the development and running of specialist programs.

The Committee is not aware of any equivalent in Canada to the masters-level programs in Aboriginal business management or Aboriginal and Third World strategic economic development run through some American institutions. The Committee is cognizant of a review being carried out on available expertise and experience in the United States and is anxiously awaiting the results.

### Access to Mainstream Courses

All educational institutions, of course, have the same basic principles with respect to admission.

Those who meet the entrance requirements, regardless of race, creed or religion, are eligible for admission.

It is, however, clear that there are many systemic barriers to be removed. These barriers obstruct enrolment and effective participation by Aboriginal students. Very few institutions have implemented special measures to overcome some less visible Aboriginal disadvantages.

Aboriginal students, because of geography, difficulties in communication, language, the difficulties in the availability of post-secondary education funding from the Federal Government, the lack of

adequate urban housing and social and other problems which develop from moving to an urban context, have a more difficult time than other students.

Aboriginal students also face real obstacles arising from poverty, family unemployment and inadequate secondary education facilities in their home communities. They must survive in a culturally hostile institutional and urban environment. In many cases, students will be studying in their second or third language.

These are problems which effectively impact upon the principle of equal access for Aboriginal people to this level of education.

An increasingly common situation is when institutions made some special effort to ensure that entrance requirements are adjusted to allow Aboriginal people to become part of the student clientele, although they ensure that the passing requirements remain the same. In these cases, "bridging programs" are put into place to allow for upgrading of the skills of the student.

This "bridging" process is extremely important because of the difficulties in the level of education available to Aboriginal students at the secondary level, the situation which often exists where a student has dropped out or missed sequential semesters or social and cultural realities.

In some areas, such as the legal profession, the availability of pre-law courses has been of particular interest and there has been success in this regard in the Western provinces.

Some institutions have adopted other positive measures to encourage Aboriginal participation, including student support services, tutoring arrangements and cultural groups. In some cases, however, these services appear to generate enclaves where Aboriginal students encounter unskilled counselors and poor administrative support which have the impact of further isolating Aboriginal students. In some other situations, we have seen the strong backing from students for these special efforts.

The effectiveness of the different models in this area must still be tested objectively.

### Non-Credit Courses

Many educational institutions and a host of other organizations offer pre-packaged or specially designed courses for Aboriginal people in business management and administration, entrepreneurship and community development ranging from a few days to many months in duration.

Courses are available on demand on a fee-for-service basis. These courses are subject of competitive forces from other institutions who wish to attract the revenue and **clientèle** for themselves.

The availability of government funds through EIC for these kinds of courses creates a considerable competition among institutions.

These programs may well be attractive where they can be conducted by teaching staff who work regularly with Aboriginal groups and where

good quality, relevant teaching material is available. Many of these courses were available on-site in communities.

A concern of the Committee is that these institutions may often actively promote certain programs to reflect that institution's objectives and not necessarily the real needs of the communities.

The Committee believes that there is a need for an independent, objective evaluation of these courses to identify and promote the better quality programs.

### **Industry-Based Programs**

Courses run by industry associations such as the Canadian Bankers' Association, the Trust Companies' Institute of Canada and the Insurance Institute, and which lead to qualifications recognized by industry, can be adapted for Aboriginal industry.

The Committee believes that there is a willingness to make the adaptation where Aboriginal industry can make a direct approach and assist in the identification of needs. The Committee has already taken some initial steps in this regard.

The Canadian Council on Native Business (CCNB) is a private sector initiative on behalf of Aboriginal enterprise which receives significant funding from the Federal and Ontario Governments to support its Aboriginal Business Internship Program (approximately \$1 million in



1989). Under the Program, Aboriginal people receive on-the-job training with host-employers and others interested in business careers receive counselling. Counseling and facilitation services are provided to Aboriginal entrepreneurs. The Committee is aware that an evaluation of the Program was undertaken in 1990. We note that, in 1989, around two-thirds of CCNB revenue (excluding donated services, most of which involve the host share of internship salaries) came from government.

The Committee also notes that there is a level of concern expressed by Aboriginal people with respect to the way in which the perceived role of the CCNB has changed since its inception. This role was to solely provide a link between Aboriginal and mainstream industry through dialogue, meetings and interchanges.

Large corporations can have a major role in providing business training and expertise, particularly to the current generation of Aboriginal university graduates by employment. Corporations must actively promote their interest in hiring Aboriginal people and adopt the kinds of special measures provided for under employment equity legislation. Aboriginal people, however, hold fewer than 0.5910 of the middle and upper level management positions in companies covered by the federal employment equity legislation.

The Committee believes that there is a lot of scope for closer links to mainstream industry to improve the relevance of business management training available to Aboriginal people.

To the extent that some public sector management skills are directly transferable to the private sector, the Committee also sees a role for the Public Service similar to that advocated above for industry. It is noted, however, that there are less than 50 Aboriginal people in the management category in the federal Public Service, or only 1% of the total in that category.

### **Federal Funding Programs**

Government has purported to review the actual situation, but it is still difficult to highlight the specifics of this type of training and resource allocation.

The federal programs referred to above cover a range of activities from student allowances, to on-the-job subsidies and course purchases to training plans.

There are problems with these programs that have been well-documented elsewhere, such as the EIC paper ~~Pathways to Success~~. We suggest, however, that the particular problems and obstacles faced by Aboriginal industry from its own perspective adds to the analysis in that paper.

Some additional problems noted by the Committee include the limited duration and budgets for post-secondary student allowances from INAC and the difficulties Bands face in attempting to supplement allowances where necessary.

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The EIC programs are also not available to provide the support to non-Status people for degree programs that INAC can provide for Status Indians.

There is also concern by the Committee with respect to the way in which the realities of Aboriginal social and family life are not reflected in government programs. Young unmarried mothers and young adults who want to reenter the education system are simply not reflected in the programs developed by government.

Gaps in program provision between federal and provincial governments, such as the problem of mature age Year 11 and 12 students, need to be addressed by appropriate Aboriginal coordinating machinery.

The interconnection with the provinces needs further review. This becomes a relevant issue as the Canadian constitutional debate continues.

Much has been said to the Committee and much written about the application of government programs. There are three key principles which, the Committee believes, can address these problems:

1. PROGRAMS FOR TRAINING AND ECONOMIC DEVELOPMENT ARE INTENDED TO INCREASE THE CAPACITY TO EARN INCOME AND CONTRIBUTE TO GROWTH. THEY SHOULD THEREFORE RESPOND FLEXIBLY TO MEET LOCAL AND INDIVIDUAL

NEEDS AND NOT BE RESTRICTED BY  
UNCHANGEABLE RULES.

2. PROGRAM DESIGN AND THE ALLOCATION OF FUNDS SHOULD REFLECT ABORIGINAL NEEDS AND BE UNDER ABORIGINAL CONTROL; AND
3. PROGRAM ADMINISTRATION SHOULD PREFERABLY USE ABORIGINAL INFRASTRUCTURE, RATHER THAN PERPETUATE THE GOVERNMENT ABORIGINAL AFFAIRS BUREAUCRACY.

It is not so much the scope of the programs that concerns the Committee as the extent to which departments have been unable to **intervene** with any consistent strategy and with significant long-term funding. It is recognized, on the other hand, that part of the problem has been the changing needs and the difficulty in defining them.

The Committee believes that the consumer - Aboriginal industry and the Aboriginal community generally - is far more likely to correctly make the hard, strategic investment decisions required. This will involve a transfer of responsibility and resources from government to Aboriginal industry organizations.

### Student Participation

A recent INAC study has suggested that, contrary to the initial perception of the Committee and of some researchers, the nature of courses chosen by the status Indian student population is changing. The study suggests that they are covering the same diversity of subjects as the non-Aboriginal student population. Some 20% of status Indian degree, diploma and certificate program participants are **enroled** in commerce, management and business administration compared with 23% of Canadian students generally (based on the 1986 Census).

Government and Industry must become aware of this. This direction is relatively new.

It is possible, however, that these Aboriginal students are concentrated in certificate-level programs oriented towards Band management rather than the degree-level business and commerce programs sought by industry.

Furthermore, the analysis measures enrollments rather than graduates and ignores the issue of dropouts. These figures overstate the real situation because they assume that the number of graduates corresponds to those **enroled** in the courses. This is very often not the case. These figures require further study, as does the situation regarding eventual jobs offered to and accepted by graduates.

It is impossible to make confident assessments of the employment outcomes from particular courses as institutions do not collect data. Given the increasing interest in educational equity, it is hoped that institutions will begin to attempt some studies of employment outcomes as a basis for assessing the effectiveness of special measures. The information relating to the employment experiences of Aboriginal graduates is relevant as well and reflects on many of the issues dealt with in this Report.

Aboriginal women, being well-represented in management-related programs, may soon dominate administrative positions in Bands and Aboriginal businesses and should be well-placed to move into senior management. In the short term, however, it appears that women graduates find particular difficulty in being accepted into community-based employment.

While there was evidence of considerable mobility on the part of Aboriginal students in attending institutions outside their home province, Bands and Aboriginal enterprises tend, in the view of the Committee, to support mainly local institutions.

Aboriginal employers also show some reluctance, it was felt, to employing graduates from other First Nations.

Members of the Committee acknowledged that this was often a factor within their own organizations, although efforts were being made to deal with this issue.

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## CHAPTER 4

### **PRELIMINARY ANALYSIS OF BUSINESS EDUCATION AND TRAINING NEEDS**

The Committee undertook a broad review of the education and training arrangements required to support economic development and enterprise growth within the Aboriginal community.

It was recognized at the outset that a comprehensive assessment was unrealistic given the limited time and resources available to the Committee. Our concern has been to ensure that we, as Aboriginal industry, and other Aboriginal people who are concerned about the management of economic development, have the capacity to begin to address our own needs.

While the basic educational position of Aboriginal people has improved in recent years, there remain large gaps in terms of poor retention in high school, inadequate delivery of post-secondary programs to Aboriginal communities and a great backlog in adult literacy and numeracy.

#### **Education and Training Gaps**

Beyond these fundamental, underlying problems, there are some particular education and training gaps which are critical to the strength of Aboriginal industry and which demonstrate the need for a more strategic

approach to training investments by Governments and institutions. These basic problems include:

- (a) Aboriginal community understanding of business and economic development;
- (b) the capacity of the present and future Aboriginal business and economic development leadership to manage Aboriginal corporations and to manage the process of strategic economic and human resource development;
- (c) lack of Aboriginal professionals in Middle Management;
- (d) technical business skills training for small business people and the self-employed; and
- (e) the need for client-oriented and culturally-appropriate business training.

These issues are dealt with below.

### **Community Understanding**

Whole communities must come to grips with the implications of a commitment to economic development. Basic notions of investment, profit and cash management are not well understood and there are well-founded fears about the impact of economic development on traditional lifestyles.

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Some communities have been able to deal with these issues over many years through debate generated by Band councils or Aboriginal governments, with support from their Band development corporations.

They have been able to reconcile differing goals and objectives and work out their own strategic plans for growth and preservation of community principles.

Some training institutions and consulting organizations offer programs on community economic development processes and are available to facilitate planning processes. Aboriginal industries and communities need to assess these forms of assistance or develop their own packages and make them available for adaptation by other community groups.

In elementary and high schools on reserves and in mainstream schools where there are large numbers of Aboriginal students, the curriculum needs to incorporate, where necessary, entrepreneurship and community development as well as language and culture. Skills essential for business, including basic numeracy and literacy, are not well taught and students do not feel a sense of achievement in these basic areas.

Private sector initiatives such as Junior Achievement have demonstrated that a practical curriculum can strengthen the interest of Aboriginal students in business-oriented mathematics and economics. The Committee has made contact with this organization to open the possibility of joint initiatives. We believe that the entrepreneurial spirit in our youth

needs to be complemented by a sense of achievement in these essential subject areas.

Similarly, the use of successful Aboriginal businessmen as “Role Models” in an essential part of any strategy to stimulate interest and involvement at the community and school level.

Government policy should be to support an economic education and work with the Aboriginal business leadership to forge training and commercial partnerships towards this end.

### **Economic Development Leadership and Management**

The Committee was most concerned to strengthen the capacity of the business and political leadership to facilitate the understanding, planning and implementation of economic development and enterprise growth.

Aboriginal leaders are faced increasingly with real choices about the management of forest, real estate, oil, gas and minerals and other resources with little preparation. Much of the burden is carried by Aboriginal chief executive officers of community-owned businesses and development corporations and by their directors, many of whom have had no formal business education.

Some resource material is available to assist with the training of directors, such as the Kitsaki Development Corporation’s guidebook:

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Roles and Responsibilities of Boards of Directors, but no comprehensive training program has been developed. Conferences and seminars on Aboriginal business are useful as well, but do not provide the consistency and thoroughness required.

As a consequence, many directors are unaware of the details of their legal and commercial roles, responsibilities and liabilities and have difficulty with the complex process of community economic development.

With their heavy business and, often, local government commitments, Aboriginal chief executive officers are unable to take extended leave for further education or skill development. Often they simply lack the Aboriginal middle-managers who could replace them during extended absences.

There is no shortage of training in mainstream business practices, but very few institutions have had the funds to adapt their programs to meet Aboriginal needs.

In particular, the higher-level teaching of the management of strategic economic development is of increasing importance as the full range of development opportunities arise. Specific skills include the management of major natural resource and real estate projects, joint venture development and corporate finance and fund management.

### **Problems in Middle-Management**

Historically, we have seen the recruiting of non-Aboriginal middle-management professionals to help run the development corporations and the businesses they generate. In many cases, there was no choice but to do so.

The Committee, from experiences of its own members, has shown how this can create a level of non-Aboriginal control which is difficult to change. Often these employees have no desire or interest in training Aboriginal successors and reap the benefits of holding positions of control without the fear of displacement.

There is little attention to the transfer of skills to Aboriginal people.

Some of the more successful development corporations which have been given considerable autonomy, with a clear mandate to generate profits, are only now becoming concerned about the lack of skills transfer . and are looking to comprehensive human resource planning and to training as the answer.

Much more work is required on the education, recruitment and further development of Aboriginal middle-managers. Band enterprises, like many non-Aboriginal corporations, can be guilty of generating a climate where even well-educated Band members have little expectation of employment. That climate can be generated by the drive for profit and

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the unchallenged assumption that only non-Aboriginal professionals have the right qualifications.

The Committee believes there is a lot of merit in the further development of special undergraduate degree programs to meet this need. Aboriginal industry needs to assess these programs carefully and decide on the extent to which it will support them financially.

### **Small Business Technical Skills**

It was impossible for the Committee to review all the problems and training needs of Aboriginal small business management. The Committee does not believe, however, that more studies are the answer so much as the creation of a forum which will allow Aboriginal small business people to review their needs with Aboriginal business professionals and address their own problems.

Often the technical skills and knowledge required by small . entrepreneurs has been gained through practical experience with community enterprises. Major gaps in the area of accounting, finance and legal issues need to be addressed by introducing culturally-sensitive training on-site, through industry associations or community colleges. This training needs practical follow-up which should come from supportive contacts with other Aboriginal business people.

It is possible, however, to rely too heavily on the training that is available through educational institutions and federal programs and to

neglect underlying infrastructure issues. Many of the services available to non-Aboriginal businesses, such as accounting, financial and legal advice, are simply not available to Aboriginal small business, especially in rural and remote areas.

Deliberate strategies are required to support the development of Aboriginal private sector resources to provide these services on site.

### **Client-oriented Business Training**

The Committee discusses below its views on effective training for Aboriginal people from an industry perspective. We look forward to the establishment of some forum within which these ideas can be developed in partnership with professional educators.

There is a lot of evidence of goodwill in universities and community colleges in terms of the need to make courses more relevant to Aboriginal people and Aboriginal industry.

Community colleges tend to be more responsive to course requests from Aboriginal communities and industry. This reflects their philosophical orientation towards client and community needs, but can result in a proliferation of similar, poorly developed courses with little effective Aboriginal input and with little, if any, independent evaluation by Aboriginal clients.

i) Cultural and Training Issues

There is a concern on the impact of non-Aboriginal learning styles and curriculum on communities and traditional culture. Some attempts have been made to involve elders in the design and operation of programs. These arrangements have involved establishment of advisory committees which often fall into disuse, or the appointment of Aboriginal representatives on the decision-making bodies of institutions or faculties.

There is no obvious Aboriginal organization to which institutions can turn for professional advice on these matters which is necessary, particularly where courses are of national significance such as with special degree programs.

Considerable attention has been given to teaching Aboriginal history and culture as part of humanities programs, but little work has been done on teaching business or science in an Aboriginal cultural context.

In particular industry sectors, the link between business and culture is very clear.

The forest and fisheries management practices of Aboriginal people for example, are based in a tradition of sustainable development which is consistent with modern resource management theory and teaching practice.

Some basic techniques have been designed to improve the cultural environment of institutions. These include special Aboriginal student

facilities with social meeting rooms, tutoring and counseling services and cultural festivals. Some facilities are **under-resourced** and exacerbate feelings of inferiority and isolation. In some cases, tutoring and counseling staff are not well qualified. Good practice needs to be identified and promoted. Institutions failing to meet their objectives often simply need help to improve their services.

Aboriginal teaching staff are as important to students as Aboriginal business role models are to potential entrepreneurs. Universities and colleges are far too complacent in this area, relying on vague hopes that Aboriginal applicants will apply for vacancies.

Institutions must develop positive and comprehensive strategies to ensure the growth of well-qualified Aboriginal teaching, administrative, research and counseling staff.

ii) Curriculum and Teaching

Aboriginal graduates work in an extremely complex business environment and must reach high standards at graduation. The receipt of a recognized qualification provides some assurance of the technical quality of a course and provides a graduate with a basis for improved access to employment, whether in Aboriginal or mainstream industry.

The standard elements of a business program (finance, accounting, marketing, strategic planning, etc.), **must** reflect the need of Aboriginal managers to work in "two cultures". There is a need, depending on the

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level of the course, to incorporate special material reflecting the unique governmental, land ownership, financial and tax environment of Aboriginal enterprise arising from applicable legislation. At the same time, future managers need to understand the impact of community economic development on their culture and society.

The Committee fears that much of the funding available for Aboriginal management education and training has been directed to a large number of shorter and lower quality courses, often with inadequate curriculum, few well-developed teaching and research aids and with staff who are unable to develop substantial experience in the field.

There is a shortage of relevant special textbooks and other resource materials, such as Aboriginal industry case studies. It is also necessary to look at appropriate Aboriginal curriculum material which may possibly use alternative models of management, such as Japanese models, which may be relevant to Aboriginal organizational culture.

The analogy to senior strategic development training based on a Third World situation for the North American "Fourth World" is relevant as well.

Much more research and development is required on these issues and, with the limited resources available, national co-ordination is essential.

iii) Delivery of Education and Training

The Committee has noted many good models of client-sensitive delivery of education and training. These include:

- first-year of a degree program offered on-site in a community;
- a range of certificate-level programs available in communities and through Aboriginal organizations;
- modularized programs leading to a formal qualification with very flexible time periods;
- attempts to build on-the-job management training capacity into organizational design.

These good practices need to be identified, evaluated and publicized and applied to Aboriginal management development. •

There are cases where bureaucratic inflexibility has obstructed progress in establishing an Aboriginal training capacity at the community level.

One Northern community set up its own local vocational training centre only to find that Government policy was that the cost of the program would be reimbursable ~~only if the training took place outside the~~

community and not within the community. The clear contradiction in this case between needs and bureaucratic rules is evident.

We recognize the cost of delivering education and training services to dispersed Aboriginal populations in small rural and remote communities and the challenge of developing alternative delivery arrangements. A cautious approach, for example, is required to high-tech, high-cost distance education techniques, but the Committee is open to supporting experimentation under Aboriginal industry direction.

There is a need to explore the possibility of competency-based assessment of management skills to avoid unnecessarily repetitive **course-work** in the pursuit of formal qualifications. More scope **exists** here in technical skill areas (e.g. automotive mechanics, building trades) but the same principle applies, i.e., the need to recognize skills acquired on-the-job or in earlier training.

iv) Credits and Transfers

Particular institutions have made real efforts to facilitate movement by Aboriginal students from lower level programs in rural and remote areas to centralized, higher-level programs through recognition and transfer agreements. In view of the cost and logistical difficulty of providing high quality specialist programs to a small scattered population, there needs to be a national commitment to expanding transfer arrangements. This is a major part of the rationalization of programs that should be coordinated by Aboriginal industry.

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**In summary, there are significant resources available for Aboriginal business education and training, but the Committees concerned about the measures required to improve the quality, availability and consistency of programs, from an Aboriginal industry and community perspective.**

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## CHAPTER 5

### THE INFORMATION GAP

There are substantial information gaps that are frustrating to all parties.

Aboriginal industries, Government, the mainstream private sector, educational institutions, graduates and students, as well as First Nations' governments, all seek the information necessary to make rational decisions on course selection and on training issues generally.

Available courses of certain institutions are not known among potential clientele, industry does not know where to go in order to seek appropriate graduates and government is having **difficulty** in determining which institutions or courses should be supported and what type of training is needed.

The goodwill of institutions who have developed specialized programs is often off-set by ignorance as to courses that have already been made available elsewhere.

Many courses are developed to meet a local need or in response to temporarily available funds without reference to programs already developed by other institutions or without looking to the long term. Part of this problem is the way in which government programs are developed and administered.

Corporations, including many owned by Aboriginal organizations, espouse the employment of suitably qualified Aboriginal people, but lack the knowledge of where to find them, how to attract them or how to ensure that they are properly trained.

The Committee found, for example, that the publication of Indian and Northern Affairs Canada (INAC) Indian and Inuit Management Courses, now in its sixth edition, was not well known by Aboriginal people, institutions or industry. This publication provides descriptions of courses based on information supplied by institutions and although it may not be complete, it is a tool which may be of use to industry. It should be noted, however, that this resource work does not offer an assessment of individual programs, nor does it appear to involve any critical appraisal of the information supplied by institutions.

An effort was made by the Association of Canadian Community Colleges (ACCC) in 1990 to identify all programs tailored to Aboriginal needs, but it was frustrated by incomplete responses.

The Canadian Council for Native Business (CCNB) publication Native Business Education Guide (August 1990) also provides a summary of information for Aboriginal people on the opportunities for a business education.

The Committee itself supplemented the INAC, ACCC and CCNB surveys, but also found it difficult to access complete information from college and university administrations.

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The Committee believes that a continually updated publication is required along the lines of the INAC document, but with a more comprehensive coverage, a clearer distinction between public and private sector management courses, and with critical editing of the inputs provided by the various institutions. The circulation, use and acceptance within the Aboriginal community of such a resource tool would be much greater if it was published by an Aboriginal organization.

Aboriginal industry also has had no permanent forum for the exchange of information on common business problems in relation to project development, strategic planning, and human resource development. **Sectoral** and other industry associations provide such forums for mainstream industry at national and regional levels, while **community-**based associations of business people provide the forums locally, often informally. The new Aboriginal **sectoral** organizations will provide important sector-specific services.

A national Aboriginal industry information network could provide a forum on **cross-sectoral** issues and replace, as necessary, services offered by government and mainstream industry.

Such a network could readily assume other information and promotional functions.

A clearing-house role could be provided for information on Aboriginal graduates from commerce, management and related professional programs and information on graduate job opportunities.

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Mainstream industry and governments who wish to employ Aboriginal graduates in management positions would be welcomed into such a network for the mutual benefit of all parties.

This clearing-house could also provide relevant information on upgrading the qualifications of Aboriginal managers and businessmen, providing employment opportunities or career enhancement training.

Many government and mainstream private sector organizations have been active in promoting Aboriginal enterprise and employment while Aboriginal industry has not had its own voice.

The Committee believes it is timely for Aboriginal industry to broadcast its achievements and establish its own links with the national and international business communities.

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CHAPTER 6

SCOPE FOR A NATIONAL STRATEGY

A significant investment has been made in Canada in Aboriginal business and management education and training at various levels in recent years. There remains, however, a serious shortage of skilled Aboriginal business managers and economic development professionals available to Aboriginal industry and to the private sector generally.

What should be done? What scope is there for action at the national level?

The conviction of the Committee is that a National Strategy would involve action in the following areas:

- (a) establishment of a national Aboriginal information **network**;
- (b) creation of the capacity for independent analysis of education and training needs by Aboriginal industry;
- (c) selective investment in programs, **especially the more expensive, higher level university and community college programs**;
- (d) coordinated investment in research and development in the areas of curriculum design and training delivery systems;

- (e) promotion of business culture and the importance of commercial enterprises; and
- (f) coordination of transfer and recognition arrangements between institutions.

An acceleration in the development of management skills requires that an effort be made in this way to rationalize the use of resources at the national level. It is also clear that we must avoid the trap of over-regulation and the destruction of local and individual initiative.

Sound education and training investments will also be of benefit to mainstream private industry where Aboriginal people are an increasingly significant part of the labour force.

### **Information**

Information is the first requirement and can be addressed through a national information network under Aboriginal direction, as discussed in Chapter 5. Reliable information and professional advice can best come from a national network available to all Aboriginal industries and other parties across the country.

Goodwill can always be encouraged between Aboriginal industries, and between Aboriginal and mainstream corporations, which may lead to profitable collaboration. This is based to a large extent on the availability of information on economic development projects and business initiatives.

### Identification of Training Needs

Heavy dependency by communities on the training institutions themselves to assist with the definition of business and management training needs has sometimes tended **to focus only on those needs which the local training institution can provide.** The involvement of wider Aboriginal industry and national **sectoral** groups can lead to a broader approach to needs definition without the problem of a conflict of interest.

The principle of industry involvement has been recognized by the Federal Government through the establishment of the Canadian Labour Market Development Board, based on a mainstream industry-Government partnership, and through Government support for mainstream **sectoral** human resource planning bodies.

Aboriginal industry needs to develop the capacity to undertake the independent analysis of training needs as a **service** to individual firms and development corporations at the local level. Services could be provided directly by a national industry body or, alternatively, an industry body could monitor and advise local businesses on the credentials of consulting firms operating in this field.

There is also enormous scope at the national and regional levels to provide Aboriginal industry with reliable and objective advice on the availability of services such as human resource planning, business planning and strategic economic development planning.

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This service can be built successfully at the national level, drawing on the limited funds and expertise available. It will surely be possible in time to generate similar capacity regionally.

### **Selective Investment in Formal Education and Training**

Aboriginal industry and the Aboriginal community are not large enough to sustain separate specialist Aboriginal management degree programs in universities in every province. The facilities required to develop and operate top quality programs are very expensive and the economies of scale must be achieved through specialization and selective development.

In fact, the potential value of the major Aboriginal management and economic development-related degree programs are already such as to draw many students from outside the institution's province. While students support programs in other provinces, however, Bands and enterprises often feel reluctant to support programs that they have been unable to influence.

Detailed review and evaluation by Aboriginal industries of relevant programs **would** encourage their development in the right directions and put Aboriginal industry nationally in a position to confidently support good programs and encourage its employees and other students to participate in them, irrespective of location.

First Nations and Aboriginal community organizations may wish to collaborate with industry on a strategy to coordinate the development of

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public and private sector Aboriginal management education to maximize the use of the limited resources available, especially at the undergraduate and postgraduate degree levels. There may well be scope for sharing some common elements of the curriculum, reference material, Aboriginal and other faculty and student support services.

A strategic approach along these lines by an **industry-government** partnership should ensure that funding made available by Aboriginal industry and by governments would improve the quality of educational assets. These assets have suffered in past from a reactive, short-term approach and an excessively thin spread of resources across small scattered communities.

Community college certificate and diploma programs are more numerous and generally try to meet local and regional needs in consultation with users. A National Strategy would **not** seek to replace such arrangements, but rather to support the central development of very costly quality core curriculum, teaching materials (e.g. case studies) and training delivery systems. Innovative practices would be widely promoted. Individual community colleges attempt to meet Aboriginal needs with very limited funding and this inevitably affects the quality of the curriculum and teaching material being developed.

Centralized development of courses and curriculum will enable the best expertise to be used under industry direction and in reaction to industry needs. Local resources can then be applied to the less expensive task of adapting this material, as required, to meet local circumstances.

The programs already developed by wealthier bands and businesses can be identified, improved upon and adapted for use in poorer, more isolated communities.

Selective development of some specialist programs of national significance will involve the withholding of Aboriginal industry endorsement from certain programs. These decisions cannot be made lightly and will require the development of guidelines and evaluation processes that are credible with institutions, as well as with Aboriginal industries.

The Committee believes that Aboriginal industry is prepared to make these hard decisions and looks to Aboriginal training institutions in particular to support industry's role in this process.

#### **Coordination between Institutions**

Far more attention needs to be given to the transferability of awards between institutions so that Aboriginal students who hold management certificates from a community college have their qualifications recognized when they subsequently enter a related diploma or degree program. We recognize that this is a difficult issue for competing institutions, but one which must be addressed.

The effort required to achieve the necessary coordination between institutions is so much greater in the case of the Aboriginal community where institutions offering complementary programs are likely to be remote one from the other.

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Co-ordinated research and development in the use of innovative educational practices such as modularized courses and competency-based assessment, as discussed in Chapter 4, will be of great benefit to Aboriginal students.

Aboriginal industry will encourage and, if possible, provide financial support for the development of a close association between Aboriginal training institutions to promote co-ordination and the development of relevant innovative teaching practices.

Learning is a life-long process and should take place, as far as possible, at a speed that reflects the capacity of the student. Each step in the learning process should be recognized so that it does not have to be repeated.

It is also essential that government policy regarding the applicability of different programs reflects this principle. The post-secondary educational assistance program of IAND, for example, must be continually reviewed to ensure that the real life problems of status Indian students are recognized.

### **Industry Role**

A national partnership is required between Aboriginal industry, mainstream industry, government and educational institutions, working together for the benefit of all.

It is an important time for Aboriginal industry to play an aggressive and proactive role.

Governments and institutions are beginning to recognize their responsibilities and to make more funding available for training linked to enterprise and economic development. Current reviews of government policy on Aboriginal industries may lead to substantial changes to the business environment of communities and, accordingly, may require considerable redevelopment of curriculum. Aboriginal industry can play a major role in this process.

Industry involvement in the development and endorsement of education and training programs is accepted by community colleges and, increasingly, by universities.

The new Canadian Labour Market Development Board has already begun to encourage acceptance of national skill standards and industry accreditation to a wide range of programs. Industry endorsement of programs is widely valued as a guide to mainstream businesses and students generally in their choice of courses.

Mainstream sectoral organizations play an important role in establishing national skills standards and coordinating intergovernmental activity.

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**Summary**

**We have discussed in this Chapter a number of measures which should form the basis of a National Strategy for Aboriginal business management development.**

**The training needs must be identified, there must be a strategic and selective approach to the use of resources for training and skills advancement, better coordination between the educational institutions and an active future oriented approach by Aboriginal industry.**

**The Committee believes that an Aboriginal private sector institution is essential in pursuing these matters with the necessary vigour.**

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## CHAPTER 7

### DEVELOPING AND IMPLEMENTING THE STRATEGY

#### - A MANAGEMENT INSTITUTE -

Achievement of the results sought by the Committee will take many years of work and continual commitment by Aboriginal people across Canada. The review of enterprise management training by this group of concerned Aboriginal business people is very much a first step, but has highlighted the value of constructive consultation and networking.

The Committee hopes to provide the focus for a concerted effort to build a network, forum or meeting place for Aboriginal enterprise managers and other interested parties. An Aboriginal private sector institution is required to advance the practice and effectiveness of the management of enterprises, economic development and human resources development by Aboriginal people.

It is proposed to form a **National Aboriginal Institute of Management** to provide this network of individual entrepreneurs, business people, educators and other parties. The Institute would provide a range of services to its membership beginning from information dissemination and growing to program evaluation, training needs assessment and curriculum development functions. An outline of the Institute proposal is at Appendix A.

Some of the key functions are discussed below.

1. **Information and Promotion**

The basic components of an information service to be provided by the Institute on behalf of Aboriginal industry and to bridge the gaps identified in Chapter 5 would include:

- management, commerce and economic development course outlines;
- business career information, including industry scholarships and government programs;
- Aboriginal graduates in key disciplines and employment opportunities; and
- major business and economic development opportunities and projects; and
- direct promotion to mainstream corporations.

Major annual publications on these matters would be coordinated by the secretariat, possibly in association with national educational organizations.

The Committee was impressed by the publications of some major North American business schools which promote their graduates and is satisfied that the demand from Aboriginal and mainstream industry, as well as from government bodies, will **justify** a national Aboriginal business graduates register.

A regular newsletter would promote management and economic development achievements in the Aboriginal community and provide regular news of major events, conferences and industry and government policy statements.

The Committee proposes that activities and events be designed by the Institute to recognize and promote management excellence and business achievement within the Aboriginal community. The Institute would also be active in promoting Aboriginal participation in higher education and training in science and technology, as well as management and commerce.

An important focus for the exchange of information between Aboriginal and mainstream business people would be the regular conferences and workshops arranged by the Institute.

It will also be important to work directly with mainstream business to bridge the gap of knowledge between Aboriginal and national and international industry.

## 2. Program Evaluation and Endorsement

The most challenging function of the Institute would be the voluntary evaluation and endorsement of specialist Aboriginal business and management education and training programs of universities, colleges and other institutions.

Aboriginal industry has a large stake in the business education and training offered by public and private institutions. The Committee believes that, if the Institute is seen to have the wide support of Aboriginal industry, its views on the adequacy of existing and proposed Aboriginal management training programs will have considerable weight with Governments and Aboriginal and other boards or authorities who make funding decisions on education and training.

A formal process of voluntary submission for endorsement should be developed by the Institute to acknowledge excellence and to reward programs or institutions which meet the unique needs of Aboriginal industry. Guidelines must be developed which are challenging but reasonable.

The purpose of the endorsement process would be to provide an objective measure of the quality of an educational or training institution (or the relevant school, program or course within a larger institution) and its graduates as determined by standards established by Aboriginal industry. The rigorous evaluation process involved will give an assurance to individual Aboriginal employers, students and organizations, as well as

other training institutions, that an endorsed institution or program meets the stated minimum standards of quality.

The practices of formal accreditation of undergraduate programs by the relevant professional association is well established.

Similarly, private training institutions have submitted themselves to a process of self-regulation to protect the standards and reputation of private training colleges, through the National Accreditation Commission.

The evaluation process conducted by the Institute would recognize the special needs of Aboriginal students and employers and include examinations of admissions procedures, faculty qualifications and teaching ability, course objectives and content, educational facilities, student services and the administration of the institution.

To ensure the technical quality and integrity of an evaluation, the Institute would establish panels of suitably qualified personnel to conduct each evaluation and advise the Board of the Institute. The process of evaluation must be carefully designed and involve clearly stated guidelines and evaluation criteria. An important early task for the Institute will be to establish a process that is fair, objective and efficient.

It would be in the interest of Aboriginal industry and federal and provincial governments to invest in the establishment of this evaluation process to improve the effectiveness of their expenditure on Aboriginal management education and training.

3. **Research and Analysis**

Few resources are available for research into the special problems of developing and managing enterprises in the Aboriginal community or into the appropriate management education and training delivery arrangements necessary in the rural and remote areas where most Aboriginal people live. Where those resources exist, they are rarely under the control of Aboriginal people.

The Committee proposes that Aboriginal industry, with the cooperation of Government, direct resources into areas of research that reflect industry and Aboriginal priorities. There is enormous scope, for example, to follow-up the work of the Science Council of Canada in its report Northern Science for Northern Society (1991), but with further enhanced Aboriginal industry input.

The identification of the management training needs of individual Aboriginal industry sectors can be approached by cooperative arrangements between the Institute and the emerging national Aboriginal sectoral organizations, notably in the forestry and oil and gas sectors. This continuing analysis needs to be **resourced** by industry collectively, with government support.

Given the enormous imbalances in the Aboriginal labour market, Aboriginal industry needs to develop skills in the area of strategic human resource planning at firm, sector and community levels. The Institute should be involved in the development of the federal government's

programming in this area which is intended to improve the capacity of Aboriginal industry to analyze its human resource environment and deal with the problems.

Further work should be carried out to identify master's level courses available regarding economic development strategy in developing areas. The Institute should have no reluctance in looking at senior level training required by Aboriginal decision-makers.

4. **Management of Consultants**

There is healthy skepticism of the consulting industry among Aboriginal firms which have been able to use the services of various consultants. Smaller Bands or Aboriginal firms and development corporations who are less experienced in negotiating and managing consulting contracts have much more difficulty.

The specialist services of the Institute or experienced members could be made available to smaller Bands and enterprises to assist with the design of consultancy agreements and the management of the contract.

5. **Review of Consulting Services**

The Institute may have a role in providing information to its members on successful consulting assignments. This information may assist businesses in identifying consultants to be considered for specific tasks.



The Committee believes that there is scope for a consumer protection role for the Institute in evaluating and endorsing consulting firms who operate in the field of Aboriginal enterprise, economic development and human resource development. It is proposed to offer Institute evaluation and endorsement of these consultants following voluntary submission to a formal evaluation process. The Institute would publish the names of endorsed firms and their areas of practice.

6. **Design of Curriculum and Training Delivery Systems**

Governments and public educational institutions are primarily responsible for establishing skills standards and for the resourcing of curriculum development and education and training delivery arrangements to meet community needs.

The Committee proposes to government agencies and mainstream and Aboriginal educational institutions that they offer to work cooperatively with the Institute to improve curriculum and educational delivery, in the areas of entrepreneurship, management and economic development education.

There are precedents for such federal-provincial cooperation in some mainstream skill areas.

Some mainstream industries have been able to have an enormous impact in encouraging co-ordination between governments most notably,

in recent times, the automotive repair and service and the electronics industries.

It is timely for governments to begin to take seriously the needs of Aboriginal industry and the Aboriginal labour force, whose significance in the economy is increasing rapidly.

The Institute would also be available to manage or coordinate relevant curriculum development projects on contract to federal and provincial funding bodies. It is hoped that a close association can be developed with private sector organizations such as Junior Achievers and with the Canadian Foundation for Economic Education in undertaking this work.

7. **Policy Advice**

The Institute would also take the lead in providing policy advice to government in areas of business management and human resource planning in industry, coordinating its efforts with those of other Aboriginal groups and authorities.

**Other Functions**

As the Institute establishes its credibility in the basic areas of information and promotion, evaluation and endorsement, research and curriculum development, it may well wish to move into other areas

outlined in Appendix A, such as placement services, the direct delivery of training, endowments and seed funding, and consulting services.

These consulting services would include training needs analysis, design of training projects, advice on the management of development projects and advice to mainstream corporations on how to develop a better relationship with Aboriginal industry and the Aboriginal community.

The Committee has already begun this process of building bridges by having first meetings with representatives of several mainstream businesses on this issue.

#### **Business Plan for the Institute**

Aboriginal industry and community support is critical to the success of the Institute. Committee members have consulted many colleagues and are confident that the value of the Institute will be widely accepted.

Aboriginal industry has already made a significant contribution in time, effort and resources to the activities of the Committee over the last year and is committed to continuing to support the work of the Institute in the future.

An outline of a draft Business Plan for the Institute is at Appendix B. It is a financially conservative approach to dealing with the important mandate of the Institute.

It should be noted that the Business Plan assumes that the operational costs of major functions such as program evaluations and endorsements should be covered from that function's revenues, with initial development expenses being met from industry and government contributions as necessary. For example, the costs of each evaluation should be recovered through an evaluation fee charged to the institution. This fee would represent a very minor expense relative to the cost of establishing and maintaining an Aboriginal management training program.

Realistically, it will be at least three years before individual and corporate memberships and contributions, together with revenues from conferences, workshops and publications, can cover operating expenses.

**The objective is for the Institute to be self-financing after three (3) years.**

We also propose to establish the Institute as a non-profit corporation for the purpose of enabling contributions to be tax deductible.

We are confident that financial support will be forthcoming on this basis from Aboriginal firms and from mainstream corporations which have an interest in doing business with well-run Aboriginal enterprises.

The Committee proposes to approach the Federal Government to follow the lead of Aboriginal industry and to underwrite the establishment of the Institute with seed-funding allocations of an average of \$400,000 per year for three years. This underwriting would allow the board of the

Institute to guarantee employment of staff for the initial building period. The full amount of the federal contribution need not be drawn upon depending on the amount of other contributions and revenues.

Contributions will be sought from provincial governments to the operating costs for the first three years on the basis that the Institute seeks to maximise the effectiveness of educational investments made through provincial institutions. The improvement of Aboriginal enterprise and community economic development management skills are essential to the long term success of Aboriginal natural resource management agreements and land claim settlements involving these two levels of government.

A talented and committed Executive Director, preferably from the Aboriginal community, will need to be appointed, assisted by two staff and with the capacity to contract out certain activities.

Attention should be given during the first two years to developing the Institute's information **services** role and the capacity for program evaluation and endorsement. The latter will be a sensitive and complex task which should be operational in the second year. The Committee sees the evaluation function as crucial to rapidly enhancing the quality of the business and economic leadership of the Aboriginal community.

#### **Institute Membership and Board Structure**

The Institute would be committed to advancing the practice and effectiveness of enterprise and economic development undertaken by

Aboriginal people and membership would be open to any person, corporation or organization with an interest in that objective.

The majority of its membership is expected to be Aboriginal people involved in business, economic development or related areas of education and training. Its constitution would require that the majority of positions on the board of the Institute be available for Aboriginal people who own, or hold board or executive management positions in, an Aboriginal business enterprise.

Board members would be elected by contributing members of the Institute.

The board would be empowered to establish advisory committees or panels of technical experts to assist it with particular functions.

CHAPTER 8

**CONCLUSIONS, PRINCIPLES AND RECOMMENDATIONS**

**Conclusions**

The Aboriginal Industries Committee, in the limited time available, has conducted a preliminary review of the issues in relation to the management and business skills needs of Aboriginal industries and development corporations and has reached the following main conclusions:

- THAT A SMALL AND HIGHLY SKILLED ABORIGINAL PRIVATE SECTOR INSTITUTION, WITH A NATIONAL NETWORK OF MEMBERS OR AFFILIATED ORGANIZATIONS, MUST BE DEVELOPED TO PROVIDE A FORUM FOR, AND SUPPORT SERVICES TO ABORIGINAL INDUSTRY AND EDUCATIONAL BODIES AT THE NATIONAL, REGIONAL AND LOCAL LEVEL; AND
- THAT THIS INSTITUTION DEVELOP THE CAPACITY TO EVALUATE SPECIALIST MANAGEMENT AND BUSINESS EDUCATION AND TRAINING PROGRAMS AND TO GUIDE PROGRAMS BEING PREPARED TO MEET ITS NEEDS.

## **Principles**

The Committee has outlined ten **Principles** which should guide future work in this area, subject to reaching a wider consensus among Aboriginal people.

1. The human, physical and financial resources of our communities must be used wisely by our political and business leaders to ensure continuing benefits for present and future generations.
2. The education and training of our People is essential for the development of our physical and financial capital and increasingly important for the competitiveness of Canadian industry. It should involve carefully worked out partnerships between the Aboriginal private sector, First Nations governments, other Governments and other Aboriginal organizations, educational institutions and the mainstream private sector generally.
3. There is an urgent need to develop the management skills of Aboriginal business leaders and future business leaders and to ensure that the political leadership has a sound grasp of economic and enterprise development.
4. Business and economic development training must reflect the cultural and social values of Aboriginal people and



management training designed for Aboriginal enterprise must recognize its links with the economic development of communities.

5. Aboriginal industry must play a role in the design of curriculum and training delivery systems and in the evaluation of management and business training programs for Aboriginal people.
6. There is a role for Aboriginal owned and controlled educational institutions serving local, regional and national needs. There is also a role for specialist Aboriginal programs in mainstream institutions which can have a significant impact on the curriculum, teaching and research activities of the institution as a whole. Mainstream institutions must remove systemic barriers to Aboriginal participation. In each case, institutions and Aboriginal enterprise must enter into co-operative partnerships.
7. Aboriginal industry has a major role to play in the coordination of program offerings by institutions and of the investment in the development of curriculum. Selection of institutions and courses to be attended must always be a matter of free choice.
8. Selective development of educational institutions and courses is essential to ensure that, with limited resources, the relatively

small population is well-served by top quality programs. This is especially true for special degree and diploma programs in commerce and management.

9. In the longer term, the economic and business leadership of bands, communities and other Aboriginal groups must be complemented by **vigorous** attention to culturally-sensitive entrepreneurship education for school-age youth and adults.
  
10. Adequate funding must be directed by governments and public institutions to meet the needs of Aboriginal people, including the reasonable costs of rural and remote area delivery of education and training. This funding will address present inequities and ensure that Canada benefits from the growing significance of Aboriginal people in the **labour** force.

### **Recommendations**

The Committee recognizes that the objectives embodied in these principles cannot be accomplished overnight. It also recognizes the importance of building Aboriginal private sector institutions to meet Aboriginal needs, working in cooperative partnership with mainstream industry, educational institutions and governments.

### **Recommendation 1**

**The Committee therefore recommends to Aboriginal industry and to the Aboriginal community that they support the establishment of a National Aboriginal Institute of Management through active participation, membership and financial contributions.**

The Institute would aim to:

- advance the practice and effectiveness of the management of enterprises, economic development and human resource development by Aboriginal people based on the ten Principles set out in this Report; and
- provide a general meeting place, forum and network for Aboriginal business managers.

The Institute should be developed progressively, but with some urgency, to provide Aboriginal industry with a role in:

- (a) information dissemination;
- (b) the identification of broad management and business training needs;

- (c) the evaluation and endorsement of business education and training programs on a voluntary basis by universities, colleges and other institutions;
- (d) the recognition of achievement by Aboriginal students, managers and industries;
- (e) research to support Aboriginal business management; and
- (f) policy advice to governments.

A range of services should be provided by the Institute to Aboriginal industry and to education and training institutions on industry's behalf:

- (i) training needs assessment;
- (ii) evaluation of training delivered to particular businesses;
- (iii) curriculum development;
- (iv) design of training delivery systems;
- (v) **clearing house** function for information on management graduates and job opportunities;
- (vi) conduct seminars and workshops;

- (vii) issue endowments to business schools;
- (viii) deliver training services where needs cannot be met by other bodies;
- (ix) provide links to Aboriginal enterprises in other countries that cannot be serviced by Aboriginal **sectoral** organizations.

In undertaking these functions on behalf of Aboriginal industry, the Institute would provide links, on management development matters, to national educational organizations and to provincial education and training ministries. The Institute will also provide a link to the national and international business community.

## **Recommendation 2**

**The Committee recommends to the Federal Government that it recognize the role and function of the Institute, including the provision of policy advice, and it underwrite the establishment of the Institute with a seed-funding allocation of an average of \$400,000 per year for three years while revenues are generated.**

Any actual government outlays should be off-set by reductions in existing administrative expenditure by relevant departments on similar functions or paid for from existing program allocations.

### **Recommendation 3**

The Committee recommends to the future Board of the Institute a number of priority matters for further consideration

1. design of procedures and criteria for the evaluation and endorsement of specialist management and business courses and programs;
2. review of the many training programs available for Aboriginal small business with the intention of enhancing and improving the best quality curriculum material and the best quality programs;
3. provision of access for Aboriginal enterprises to the capacity to conduct independent analyses of management and other enterprise training needs and to design human resource plans;
4. development of strategies for the improved retention of Aboriginal graduates of post-secondary institutions in Aboriginal enterprise;
5. preparation of national core training packages for directors of Aboriginal enterprises and development corporations which can be adapted to meet local requirements and the development of a high-level program in business management

**and strategic economic development planning for existing and future chief executive officers; and**

6. **the role of First Nations governments, other governments and other educational institutions in furthering the economic entrepreneurship and education of our youth.**

**Next Steps**

The Committee, with the assurance of financial support from the corporations represented by its members, has resolved to establish itself as the Interim Board of the Institute for the purposes of drawing up a constitution, concluding the legal formalities and pursuing negotiations for the financing of the three year development phase of the Institute.

The Interim Board will broaden its membership and will be guided by its discussions over the next six months with Aboriginal industry and community organizations, educational institutions and other potential private and public sector partners.

**The Committee would follow the set of ten Principles contained in this Report which should assist these discussions.**

We should begin promptly, but allow the Institute to grow gradually over several years as it builds these national partnerships.

**The partnership we envisage is a mutually beneficial one - FOR THE BENEFIT OF ALL.**

APPENDIX A

**PROPOSAL FOR A  
NATIONAL ABORIGINAL INSTITUTE OF MANAGEMENT**

Proposal

To establish a **National Aboriginal Institute of Management** to advance the practice and effectiveness of economic development undertaken by Aboriginal people, by providing Aboriginal development and enterprise managers and professionals with access to the finest educational assets and development technologies available.

Issues

Aboriginal development corporations and enterprises are conscious of the shortage of skilled Aboriginal economic development and enterprise managers and of the special link between Aboriginal enterprise and the development of communities. This linkage places unique demands on Aboriginal managers.

They are also very conscious of:

- the diverse social and economic circumstances within which Aboriginal managers must operate;



- the range of sectors and industries in which Aboriginal enterprises operate;
- the cultural and social values of Aboriginal people which affect the structure and operations of enterprises.
- the importance of independent small business and entrepreneurship to the development of communities and the importance of stable and effective community government to business growth;

Development corporations and enterprises recognize some special labour market imbalances affecting the supply of and demand for Aboriginal managers:

- the current generation of Aboriginal chief executive officers, managers and directors often lack formal business education and their responsibilities prevent their release for long periods of training or personal development;
- the low priority given in the past to study in the sciences, technology and commerce;
- the heavy reliance by Aboriginal or non-Aboriginal industry on professionals in the middle-management area;

- the poor retention rate of youth in the education system and the tendency of the better educated youth to move to the cities.

Significant Aboriginal and government funds and human resources have been invested in business management education and training programs across Canada with little co-ordination and often unsuccessful employment outcomes.

These issues cannot be resolved in the short-term by a once-only review of human resource development -- they require a permanent Aboriginal institutional structure to guide future investments in the human resources of the Aboriginal community.

### Role

The Institute would undertake the following role on behalf of Aboriginal development corporations and the Aboriginal business community.

### CORE FUNCTIONS

#### **1. Information and Promotion**

Provide a "clearing house" service for information on:

economic development and enterprise projects;

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management education and training programs;  
small business and entrepreneurship education and training  
programs;  
Aboriginal business graduates and relevant employment  
opportunities;  
relevant academic literature;  
organizations and consultants with experience in the field;

Conduct conferences, workshops and seminars (fee-for-service);

Publish an annual outline and review of programs and courses;

Publish a newsletter for members;

Conduct activities to promote and recognize student and  
management excellence.

Work with mainstream corporations and employee groups to  
promote Aboriginal access to middle and senior management  
positions and business opportunities.

## 2. **Evaluation and Endorsement**

Identify skills needs and establish national skills standards and  
competencies for specialized programs;

Monitor and review existing and proposed specialized Aboriginal management education and training programs;

Evaluate institutional programs and courses on a voluntary basis.

3. **Research and Analysis**

Sponsor research on development economics and Aboriginal business and management training;

Identify human resource planning and management training needs of Aboriginal development corporations and enterprises.

4. **Management of Consultants**

Provide advice and consulting assistance to Aboriginal groups or industry on engaging, contracting with and supervising consultants.

5. **Review of Consulting Services**

Provide a clearing house or listing of consultants and their specialities with particular emphasis on experience in Aboriginal communities and projects.

Institute a voluntary evaluation and assessment process for consultants to be carried out by the Institute.

**6. Design of Curriculum and Training Delivery Systems**

Develop guidelines for the preparation of curricula;

Undertake or co-ordinate national **projects** in curriculum design;

Encourage innovative approaches to the delivery of management education and training.

**7. Policy Advice**

Provide advice to governments on the design of policy and programs.

**8. Placement Services**

Act as a placement agency for on-the-job management training and negotiate training programs with host organizations.

**9. Training Delivery**

Deliver management training programs as requested (**fee-for-service**).

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10. **Endowments and Seed Funding**

Issue endowments to business schools and related tertiary programs which undertake to provide appropriate, endorsed programs of management education and training;

Provide funding for improving the teaching materials available to approved programs.

11. **Consultancy Services**

Provide development management **consultancy** services, including monitoring of private consultants;

Assist with the analysis of training needs and the design and implementation of training programs;

Training needs analysis and the design of training projects:

Advice to mainstream corporations on how to develop a better relationship with Aboriginal industry and the Aboriginal communities.

### Legal Status

The Institute would be reestablished as a non-profit corporation. The Institute would seek the appropriate status to enable it to give tax deductible receipts for donations made to it.

### Financial Issues

The Institute would have as an objective to be self-financing after three (3) years from membership contributions and revenue from services, contract work and other activities.

Some seed-funding will be required initially from industry and governments, but it is recognized that the scope of early activities must be modest and carefully targeted to generate income and to minimize dependency.

Fixed overhead costs such as salaries and administration will have to be minimized in the short term. Priority will be given to revenue-generating activities.

### EXPENDITURE

Major costs or outlays will include:

- accreditation and related functions;
  - research activities;
-

publications (net of any advertising revenues);  
overhead (salaries and administration).  
endowments and seed funding;

## INCOME

Income sources will include:

profits from activities such as conferences, seminars and workshops;  
evaluation fees;  
contract revenue from **consultancy** services;  
sale of training packages;  
membership fees (corporate and individual);  
ex-gratia contributions from government and the private sector.

## Administration

A board of directors will be elected by the membership, with an interim board coming from the Committee. A majority of positions on the board would be reserved for Aboriginal people who own, or hold board or executive management positions in an Aboriginal business enterprise.

A national Executive Director will be appointed by the board to administer the affairs of the Institute. The position would be advertised



nationally to attract a suitably qualified person, preferably from the Aboriginal community.

Specialist panels would be appointed by the board to advise it in the exercise of certain functions.

**APPENDIX B**

**'NATIONAL ABORIGINAL INSTITUTE OF MANAGEMENT**

**BUSINESS PLAN:**

**FINANCIAL STATEMENT'S**

EXPENDITURE (\$'000)	YEAR 1	YEAR 2	YEAR 3	TOTAL (years 1-3 only)	YEAR 4
<b>I. SALARIES</b>					
Executive Director	75	75	75		75
Assistant Director	40	50	50		50
Secretary	25	25	25		25
				440	
<b>II. TRAVEL</b>					
Executive Director	30	10	10		10
Assistant Director	10	10	10		10
Board Members	90	80	70		70
				320	
<b>III. OFFICE ADMINISTRATION</b>					
Rent	50	70	70		70
Telephone/Fax/Postage					
Office Equipment				190	
<b>IV. PROGRAM BUDGET (net)</b>	80	130	40	250	40
	—				
<b>TOTAL</b>	400	<b>450</b>	350	1200	354)

INCOME (.\$'000)	YEAR 1	YEAR 2	YEAR 3	TOTAL (years 1-3 only)	YEAR 4
<b>I. GRANTS</b>					
Aboriginal Industry	100	100	100		
Other Corporation	50	50	50		
Government					
- Federal	200	200	50		
- Provincial	<u>25</u>	<u>50</u>	<u>50</u>	—	—
	375	400	250	1025	
<b>11. REVENUE</b>					
Programs					
- Information Services (sale of directories and other publications, including advertising)		5	10		50
- Conferences and Workshops	10	15	30		50
Membership					
- Corporate	5	10	20		50
- Personal	10	20	40		100
Payments					
- from government, for services performed	—	—	—	—	100
<b>Total Revenue</b>	<u>25</u>	<u>50</u>	<u>100</u>	<u>175</u>	<u>350</u>
<b>TOTAL:</b>	400	4s0	3s0	1200	<b>350</b>

#### NOTES

- Program expenditures in Years 1-3 represent the program development costs (including information services, evaluations, etc.).
- Programs are expected to be net revenue-generating (see under "Revenue") or self-financing.
- Federal government contributions are shown as grants for Years 1-3 and as payments for services performed by the Institute on its behalf in Year 4.

APPENDIX C

CONSTITUTIONAL ISSUES

The Committee did not want to spend a great deal of time dealing with constitutional and jurisdictional matters, but the contemporary situation in Canada left us no choice.

Certain issues, however, had to be recognized and acknowledged by the Committee.

There is clearly an evolution taking place in Canada with respect to the relative jurisdictions of the Federal, Provincial and Aboriginal governments with respect to respective areas of jurisdiction.

The clarification of this issue as regards Aboriginal and other governments is taking place at one level, while the debate between the Provincial and Federal governments is being dealt with at another.

The Aboriginal Self-Government issue is a matter of political priority to Aboriginal First Nations and is included as an integral part of this process.

The division of powers between the Federal and Provincial governments on the other hand, has to be taken into account by the Committee in the context of existing programs and the way in which they can be implemented.

The Committee looked at its original mandate which was to examine business management education for the Aboriginal People of Canada.

These People, and many issues directly related to them, are the exclusive jurisdiction of the Federal Government and it is with this background that the Department of Indian Affairs and Northern Development has committed resources to education and other related programs presently being made available by it.

The Department of Employment and Immigration similarly looks at these programs from that context.

The inherent Aboriginal right to education, the provisions in Treaties and modern land claim agreements and other related issues must be considered as well.

The Committee takes cognizance of the constitutional proposals which have been tabled by the Federal Government, "Shaping Canada's Future Together", and particularly those matters dealing with Labour Market Training.

The proposal is twofold in this regard in that it proposes that Labour Market Training become an area of exclusive provincial jurisdiction, although the area of Skills Standards would be the object of joint jurisdiction by the Federal and Provincial Governments through the new head of power for managing the proposed economic union described in the Proposal.

The Committee wishes to note that notwithstanding the above, the jurisdiction of the Federal Government for “Indians, and lands reserved for the Indians” and Aboriginal peoples remains unchanged with these proposals.

Furthermore, the area of Skills Standards is one particular aspect of the matters dealt with in this Report.

The Committee also wants to ensure that whatever happens in terms of jurisdiction between the competing Governments, the whole question of management business training for Native peoples is still dealt with in an effective and responsive way and that the Institute proposed will still be an appropriate mechanism in which to have the input and overview necessary in order to ensure that the needs of Aboriginal people are met.

## APPENDIX D

### MEMBERS OF THE COMMITTEE

**Chief Victor Buffalo** --- He acts not only in his capacity as the Chief of his Band, but also is the Chairman of the Peace Hills Trust Company, the first and largest Native financial operation in Canada. Peace Hills Trust Company has grown through the careful use and investment of the assets of the Band.

**Mel Buffalo** --- Mr. Buffalo is a Native Consultant involved in commercial and legal matters related to the Samson Cree Nation. Having received both his B.A. and M.B.A. degrees, his consulting practice relates to specific Aboriginal business and management issues and problems. Mr. Buffalo lives in Hobbema, Alberta.

**Chief Harry Cook** --- He is the Chairman of the **Kitsacki** Development Corporation owned by the **Lac La Ronge** Indian Band. Chief Cook acts not only as the Chief of his Band, but also takes on the added “ responsibility of business functions within the **Kitsacki** Development Corporation. Chief Cook has extensive experience in this area and has seen the **Kitsacki** Development Corporation grow through businesses ventures over the last five years to be a significant play on the economic development in Saskatchewan.

**Chief Billy Diamond** --- Politician, educator and businessman, Mr. Diamond has been a leading figure in Native politics in Canada and within **Québec** for over fifteen years. Having served as Chairman of the Cree School Board since 1976, Mr. Diamond has also been involved in a number

of regional and local businesses and services, having acted as the President of Air Creebec Inc. Mr. Diamond is married to Elizabeth Hester, has four children and lives in Waskaganish, Québec.

**Philip Dorion** --- Executive Director, Swampee Cree Tribal Council, he is the acting General Manager of the Band Regional Development Corporation which includes six Bands. He is also Chairman of Tribal Council Investments, which includes seven Tribal Councils in Manitoba. Philip is also a Band councillor, Chairman of the Finance Committee and is on the School Board.

**Chief Frances Flett** --- He is the Chief of the Pas Band and was involved in a number of the economic development initiatives initiated by the community. Through the Opaskiak Business Development Corporation Ltd., initial steps are being made by the Band in getting involved in commercial activities, of long-term benefit for it.

**William J. Hatton** --- He is the General Manager of the Kitsacki Development Corporation and has worked extensively with Chief Harry Cook in the growth and development of that enterprise. Mr. Hatton brings with him the ability to look at strategic overall planning for the Band through the use of the Kitsacki Development Corporation, while working closely with the Chairman of the Corporation and assisting in making strategic development decisions with respect to investments.



**Alan B. Hockin** --- Retired as Dean, Faculty of Administrative Studies, York University, Mr. Hockin has had extensive experience in government, banking and finance. He joined the Department of Finance in Ottawa in 1946 and served there and in London, Paris and Washington. From 1964 to 1969 he was Assistant Deputy Minister of Finance. He became an Associate of Morgan Stanley in New York in 1970 and joined the Toronto-Dominion Bank in Toronto in 1971, where he served as Executive Vice President, Investment Division until retirement in 1984. He is presently a director of Trilon Financial Corporation, London Life Insurance Co., Long Insurance Group, Royal LePage Mortgage Corporation, Growth Investment Corporation, Cairn Capital Inc. and he is a member of the Pension Investment Committee of the Hospitals of Ontario Pension Plan.

**John Fox** --- Mr. Fox worked for the Australian Prime Minister's Department for 12 years before **servng** for 5 years as National Manager for Aboriginal Employment and Training with the Australian Employment Ministry. He was a director of industry human resource planning in Employment and Immigration Canada from 1989 to 1990. He currently lives in Montreal where he has been assisting the Aboriginal Industries Committee while on long-term leave from the Australian Government Service.

**Daniel Kohoko** --- Mr. Kohoko is Economic Development Consultant and Land Claim Advisor to the Algonquins of Golden Lake First Nation. He is also the former Executive Director of the National Association of Friendship Centres. For the past 18 years he has worked within the public and private sectors on community business development.

**Chief Phillip Joe** --- He works for the **Squamish** Band in British Columbia and is particularly in charge of the real estate investments of the Band in the Vancouver area. The management of leases and development plans with respect to land which is strategically sited in British Columbia is the primary responsibility of Chief Joe.

**Rod McKenzie** --- Mr. McKenzie has been involved with The Pas Indian Band with particular responsibilities in regard to economic development enterprises. He has been particularly concerned with the Band Business Development Corporation and the human resource management needs of this Corporation and its subsidiaries and related enterprises. Mr. McKenzie has worked closely with the Department of Employment and Immigration of Canada in order to ensure that the needs of the Band are met.

**Anne Noonan** --- **Anne** is the National Vice-Chairperson and Ontario member of the National Board of **CAEDS** is Director of Native Affairs with Raymond, Chabot, Martin, **Paré** et Cie. She has worked as a consultant for Native associations and bands, the Department of Indian and Northern Affairs and the Bureau of Management Consulting. In addition, Ms. Noonan has advised the Assembly of First Nations and the Ontario Native Women's Association. Ms. Noonan is presently a member of the Board of Directors of Ontario Hydro.

**Viola Robinson** --- President of the Native Council of Canada, which represents off-reserve Indians, Mrs. Robinson is a **Micmac** Indian born at Amherst, **N.S.** She has been involved in Native politics since 1975, was

awarded an honorary doctor of laws by **Dalhousie** University in 1990, and has a degree from Maritime Business College in Halifax. She has six adult children and lives in Ottawa.

**Art Voth** --- He is a Senior Industrial Consultant of the Industrial sector services, Division of Employment and Immigration Canada. Mr. Voth has had extensive experience working within the Department and has assisted the Committee substantially in proceeding with its mandate.

**Lee Williams** --- She is the General Manager of the **Haisla** Development Corporation located in British Columbia. This Corporation is financed by the Aboriginal Capital Corporation Program and is in the initial stages of organization and development. Ms. Williams has University education and works extensively in the economic development project of the projects of the **Haisla** people.

**William S. Grodinsky** --- Through his Native law practice with **McMillan . Bull Casgrain**, Mr. **Grodinsky** has worked with the James Bay Cree Indians and other Native groups on land claims, environmental questions, energy matters and other development concerns. He has also been involved with several Native economic development and commercial ventures and participated in international conferences on Native issues. Mr. **Grodinsky** is also very much involved with the International Bar Association where he acts as the Chairman of the Committee on Indigenous People and Development Law.